

Valerie Levin

From: Sean King
Sent: Friday, December 23, 2011 10:05 AM
To: Jon.Boughtin@mail.house.gov; Anita Chen
Cc: hans.chiao@tecro.us; jzagameny@msn.com
Subject: TSMC

This material is distributed by Park Strategies, LLC on behalf of the Taipei Economic and Cultural Representative Office in the United States. Additional information is available at the Department of Justice, Washington, D.C.

Jon,

It was nice speaking with you just now. As I mentioned, our Taipei Managing Director, Anita Chen, has made contact with mid-level TSMC P.R. staff who are willing to meet with Congressman Owens at TSMC in Hsinchu on either Thursday, December 29th or Friday, December 30th. I'll leave it to you and TECRO's Hans Chiao to figure out when's best, but it seems to me you could easily stop off in Hsinchu on your way back to Taipei after you visit Kaohsiung. But again, I leave that to you and Hans. You and/or Hans can just e-mail Anita directly, achen@parkstrategies.com, to make arrangements.

I'm sorry you can't visit Taiwan this time, but I know Rep. Owens will get a lot out of it. As you know, Park Strategies, LLC, Senator D'Amato and I are registered with the U.S. Department of Justice, under the Foreign Agents Registration Act, as agents on behalf of our client, the Taipei Economic and Cultural Representative Office (TECRO) in the United States.

Merry Christmas,

Sean King | Park Strategies | www.parkstrategies.com

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Valerie Levin

From: Sean King
Sent: Friday, December 23, 2011 11:42 AM
To: Valerie Levin
Subject: FW: TSMC

From: JOHN ZAGAME [<mailto:jzagameny@msn.com>]
Sent: Friday, December 23, 2011 11:42 AM
To: jon boughtin; Sean King; Anita Chen
Subject: RE: TSMC

Jon -- Thanks so much for adding this TSMC meeting for EDGE. We'll be sending along a briefing backgrounder/talking points for Congressman Owens as soon as we receive from EDGE. If you have any questions Steve Dimeo Exec. Dir. of EDGE will be available to address them. Have a great holiday. It is a pleasure to work with you. John Zagane

From: Jon.Boughtin@mail.house.gov
To: sking@parkstrategies.com; AChen@parkstrategies.com
CC: hans.chiao@tecro.us; jzagameny@msn.com
Date: Fri, 23 Dec 2011 10:15:02 -0500
Subject: RE: TSMC

Guys, this is great. Hans, please advise. Also, if you can send me the name and number for the gentleman who will be driving Mr. Owens I will get it to the Congressman in case they have any trouble connecting.

Thanks again everyone! -Jon

From: Sean King [<mailto:sking@parkstrategies.com>]
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Valerie Levin

From: Sean King
Sent: Friday, December 23, 2011 1:14 PM
To: Valerie Levin
Subject: Fw: Fwd: Congressman Owens Trip to Taiwan -- Meeting with TSMC on Marcy Nanocenter at SUNYIT Site
Attachments: Congressman Owens Background Paper - TSMC Meeting.pdf; image001.jpg

----- Original Message -----

From: John Zagame <jzagameny@msn.com>
To: Boughtin, Jon <Jon.Boughtin@mail.house.gov>; Steven DiMeo <sjdimeo@mvedge.org>; Sean King
Sent: Fri Dec 23 12:37:48 2011
Subject: Fwd: Congressman Owens Trip to Taiwan -- Meeting with TSMC on Marcy Nanocenter at SUNYIT Site

Jon -- Attached is TSCM backgrounder. Steve Dimeo at EDGE can answer any questions. He can be reached at 315 338 0393 for by email. Thanks again.

Sent from my Verizon Wireless 4G LTE smartphone

----- Original Message -----

Subject:Congressman Owens Trip to Taiwan -- Meeting with TSMC on Marcy Nanocenter at SUNYIT Site From :Steven DiMeo Date :Fri, 23-Dec-2011 11:58 To :JOHN ZAGAME , CC :Mark Reynolds

John/Anita

Attached is a brief overview of NYS initiatives in building a semiconductor hub in NYS and planned development of Marcy Nanocenter at SUNYIT site.

Steven J. DiMeo

President

Mohawk Valley EDGE

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Rome, NY 13441

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Background
Congressman Owens & TSMC Meeting
Expansion of Semiconductor Manufacturing Opportunities
Marcy Nanocenter at SUNYIT Site

1. Background:

- ❖ New York has a long history supporting IBM and its spinoffs.
- ❖ New York has made significant investments to support:
 - IBM 300 mm expansion
 - Global Foundries 300 mm development
 - Sematech relocation to Albany's College of Nanoscale Science & Engineering
 - \$7 billion in public and private investment has made CNSE a global hub for semiconductor and nanotechnology R&D
 - Recent announcement (September 27, 2011) of Global 450 Consortia between CNSE – and five leading semiconductor companies, including TSMC and \$4.4 billion in public and private investment.

2. New York is a Leader in Research & Development:

- ❖ #1 in State sponsored R&D investment
 - \$128 Million total
 - \$120M by NYS, \$8M by US Government
- ❖ #2 in College and University R&D
 - \$4 billion all disciplines
 - \$1 billion in Math, IT, Physical and Engineering

3. Talent:

- ❖ #2 State for graduating engineers (Clarkson, Cornell, Columbia, RPI, RIT, Binghamton, Buffalo, Stony Brook, Syracuse, SUNYIT, Albany, Alfred, Union, CCNY)
- ❖ World Class R&D - Top 2 R&D Centers in US (CNSE Albany & Cornell)
- ❖ Skilled workforce, comfortable in high tech industry

4. Financial Capability:

- ❖ Aggressive State incentives tailored to compete in global marketplace
- ❖ NY State able to mitigate \$1B+ liability caused by federal tax code
 - China, Malaysia, Singapore, Taiwan all waive/exempt corporate income taxes

5. Sites & Infrastructure:

- ❖ New York developed SEMI-NY Initiative in 1998 to identify development sites for semiconductor manufacturing
- ❖ Marcy Nanocenter at SUNYIT is the leading, shovel-ready Greenfield site in New York State – on publicly owned lands.

6. Marcy Nanocenter at SUNYIT Site

- ❖ SUNYIT campus (845 acres), is part of the largest public university system in the United States
 - of which 428 acres is set aside for semiconductor and nanotechnology uses
- ❖ SUNYIT has a Bachelor of Science in Electrical and Computer Engineering
- ❖ SUNYIT is developing a Center for Advanced Technology and the Computer Chip Commercialization & Integration Center which will focus on SOC technology as part of a cross regional partnership with CNSE.
 - Total public-private investment is approximately \$95 million for 200,000 SF facility including 30,000 SF of class 100 cleanroom space.

7. Marcy Nanocenter at SUNYIT - Infrastructure Investment:

- ❖ Robust, redundant power (dual 115kv lines)
- ❖ Abundance of water (excess of 6 MGD)
- ❖ Well-built transportation and data network
- ❖ \$39 M in site and infrastructure funding in place to develop site for semiconductor manufacturing
- ❖ Status of Project Improvements:
 - Property zoned for semiconductor and nanotechnology manufacturing
 - Bypass Road improvements completed
 - Sewer infrastructure – underway (completion 2nd Qtr. 2012)
 - Upgrade to County Interceptor – Engineering Design Underway (completion 3rd quarter 2013)
 - Water line infrastructure – bid award (completion 2nd Qtr. 2012)
 - Wetlands Mitigation Work – USACE permit secured
 - Site Development Work & Loop Road - funding in place, with engineering design to begin in 1st Qtr. 2012
 - Power Line Relocation – under negotiation with National Grid
 - All improvements to be in place by 4th quarter of 2013

7. NYS Incentives:

- ❖ With Global 450 Consortia announcement, NYS is committed to leveraging its investment in R&D to attract next generation semiconductor manufacturing plants

- ❖ NYS is Open for Business, with Governor Cuomo and Legislature committed to exploring options for incentivizing construction of additional semiconductor manufacturing facilities to locate in NYS and Marcy Nanocenter at SUNYIT.

8. Mohawk Valley EDGE's take on TSMC:

- ❖ EDGE has met with top management of TSMC four times in Taiwan, initially in 2007; the latest was July 2011 with Sr. Vice President Mark Liu, Vice President, J.K. Wang, and Arthur Chuang, Director of 300mm manufacturing.
- ❖ TSMC has indicated that most of their manufacturing has been concentrated in Taiwan, and that a geographic alternative may be in their interest.
 - TSMC has nine Fabs in Taiwan plus one facility in China, a subsidiary – Wafertech, in Camas, Washington, and a JV with NXP in Singapore),
- ❖ Taiwan has been recently subjected to power reductions and curtailments, as well as water reductions – these are significant issues for manufacturing, and long term prospects are worse as their power demand rises 11% annually.
- ❖ Natural disaster risk (earthquake, tsunami, typhoon, flood, etc.) is in the forefront of their minds, especially after what happened in Japan.
- ❖ When discussing Marcy Nanocenter with TSMC they have indicated we have the correct site size and infrastructure capacity.
- ❖ Their ramp-up experience in Washington state was difficult (permitting delays, cost overruns, labor and union issues, etc.) so they have a bit of concern about another US project, which we need to overcome.
- ❖ Recent news accounts indicate that TSMC has optioned 120 acres in Taichung, Taiwan (approx. 2.5 hours from Hsinschu, Science Park location) for a 450 mm semiconductor plant that may be developed for operation 2015-2016 timeline. This appears to be contrary to what we were told in July when we met with TSMC officials. They indicated then that they believed they had tapped out expansion opportunities in Taiwan. It would be interesting to know if this is indeed a fact or just media speculation. If it were true, the question would be how this impacts potential plans for expansion in the USA.
- ❖ New York State & Mohawk Valley EDGE (lead developer for - Marcy Nanocenter at SUNYIT site) Points of Contact:

Kenneth Adams, President/CEO/Commissioner Empire State Development 633 Third Avenue New York, NY 10017	Steven J. DiMeo, President Mohawk Valley EDGE 584 Phoenix Dr. Rome, NY 13441 (315) 338-0393 (315) 796-1995 sjdimeo@mvedge.org
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'jzagameny@msn.com'; 'Jon.Boughtin@mail.house.gov'; 'sjdimeo@mvedge.org'
To: Re: Fwd: Congressman Owens Trip to Taiwan -- Meeting with TSMC on Marcy Nanocenter at
Subject: SUNYIT Site

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